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## FISCAL IMPACT REPORT

SPONSOR Martinez DATE TYPED 2-11-04 HB 533

SHORT TITLE Tax Credit for Sale of Cars with Interlocks SB \_\_\_\_\_

ANALYST Neel

### REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY04	FY05			
		See Narrative		

(Parenthesis ( ) Indicate Revenue Decreases)

Related to:

SB 380, Ignition Interlocks on New and Used Cars

HB 126, Ignition Interlocks on New and Used Cars

HB-126, Ignition Interlocks on New and Used Cars

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Taxation and Revenue Department (TRD)

### SUMMARY

#### Synopsis of Bill

House Bill 533 amends the Motor Vehicle Excise Tax Act to provide a credit against the motor vehicle excise tax for the value of the interlock device.

### FISCAL IMPLICATIONS

TRD notes the following assumptions:

Depends on the number of vehicles sold containing interlock devices. The figure could easily change if legislation were to be enacted requiring the devices on all vehicles in New Mexico. The devices cost approximately \$1,000.<sup>1</sup> According to a publication entitled "Driving While Impaired 2002" published by the State Department of Transportation's Traffic Safety Bureau, ap-

<sup>1</sup> See, for example [http://www.buckscounty.org/departments/clerk\\_courts/ignitioninterlock.html](http://www.buckscounty.org/departments/clerk_courts/ignitioninterlock.html), or: [http://sens-o-lock.com/webpages/faq\\_car.html#car\\_cost](http://sens-o-lock.com/webpages/faq_car.html#car_cost).

proximately 20,000 DWI arrests occur annually. About 2,000 of the units were installed in 2003, according to representatives of the New Mexico Department of Finance and Administration's Local Government Division. If 500 people annually were to purchase the devices and qualify for the credits provided by the proposal, the cost to the General Fund would be \$500 thousand.

## TECHNICAL ISSUES

TRD provided the following technical issues:

The proposal is apparently intended to apply to cases where individuals purchase the devices, rather than lease them. If intent of the measure is to allow charges other than the cost of purchasing the devices to be credited against motor vehicle excise tax obligations, the bill should be amended accordingly.

## OTHER IMPACTS AND ISSUES

Provisions of the proposed measure would probably be viewed as unfair by many taxpayers, because the measure would provide a tax subsidy for interlock purchases only to individuals who purchase vehicles. Offenders opting to install the devices on vehicles they currently own would not be provided with the subsidy, nor would offenders who lease the devices.

### Current New Mexico Interlock Provisions

Section 66-8-102 NMSA 1978 requires individuals convicted of aggravated driving while under the influence of intoxicating liquor or drugs to have an interlock device installed for a period of one year on all motor vehicles driven by the offender.<sup>2</sup> On first conviction for driving while under the influence of liquor or drugs, as a condition of probation, an offender *may* be required to have an ignition interlock device installed and operating for a period of one year. On any subsequent conviction, as a condition of probation, an offender must have an ignition interlock installed and operating for a period of at least one year on all motor vehicles driven by the subsequent offender. In all cases, unless judged to be indigent by the sentencing court, the offender is required to pay all costs associated with having an interlock device installed on the appropriate motor vehicles. Section 66-8-102.3 NMSA 1978 also imposes a fee on all persons who provide ignition interlock devices to individuals convicted under Section 66-8-102 NMSA 1978, or whose driver's license is revoked under the Implied Consent Act. The fee is 10% of the amount charged to lease, install service and remove each ignition interlock device. The fees are deposited in the "interlock device fund" and appropriated to the Local Government Division of the Department of Finance and Administration to cover costs of installing, leasing for the initial four months, and removing ignition interlock devices for indigent people who are required to install interlock devices in their vehicles.

SN/dm:yr

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<sup>2</sup> Aggravated driving while under the influence of liquor or drugs is defined in Section 66-8-102 as a person who 1) has an alcohol concentration of 16/100<sup>ths</sup> or more in his blood or breath while driving; 2) has caused bodily injury to a human being as a result of unlawful operation of a motor vehicle while driving under the influence of intoxicating liquor or drugs; or 3) refused to submit to chemical testing as provided for in the Implied Consent Act, and is judged by a court based on evidence presented to it, was under the influence of intoxicating liquor or drugs.